

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Market-Dominant Price Change

Docket No. R2023-1

CHAIRMAN'S INFORMATION REQUEST NO. 3

(Issued October 19, 2022)

To clarify the basis of information provided by the Postal Service in its Notice of Market Dominant Price Change, filed October 7, 2022,<sup>1</sup> the Postal Service is requested to provide written responses to the following questions. Answers should be provided to the individual questions as soon as they are developed, but no later than October 26, 2022.

The questions are those included in the motion filed by the News/Media Alliance (N/MA) for issuance of an information request with only non-substantive formatting and stylistic changes included.<sup>2</sup> N/MA states that its questions “seek information relevant to whether and/or how the Postal Service has considered in its noticed rates the increase in Periodicals bundles caused by its transition from” Flats Sequencing System (FSS) to Non FSS scheme preparation. N/MA Motion at 1. Given the expedited timeline on which rate adjustments are reviewed and the lack of harm in requesting this clarifying information, this Chairman's Information Request is being issued expeditiously.

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<sup>1</sup> United States Postal Service Notice of Market-Dominant Price Change, October 7, 2022 (Notice).

<sup>2</sup> News/Media Alliance Motion for Issuance of Information Request, October 18, 2022 (N/MA Motion). All substance, predicates, and assumptions are the product of N/MA, and not the Commission.

**Periodicals**

1. This question concerns the transition from FSS scheme preparation standards.
  - a. Please confirm that in the September 22, 2022 issue of *Postal Bulletin*,<sup>3</sup> the Postal Service states that effective November 7, 2022, the Postal Service will remove FSS scheme preparation standards. If not confirmed, please explain fully.
  - b. Please confirm that in the July 14, 2022 issue of *Postal Bulletin*,<sup>4</sup> the Postal Service announced extensive changes to labeling lists, effective August 1, 2022, related to the discontinuance of FSS scheme preparation. If not confirmed, please explain fully.
  - c. Please confirm that the changes in labeling lists apply to Periodicals Mail. If not confirmed, please explain fully.
  - d. Please confirm that prior to these changes, Periodicals Mail could be prepared in FSS scheme bundles that combined carrier-route and 5-Digit pieces (as well as other pieces destined for the same FSS scheme). If not confirmed, please explain fully.
  - e. Please confirm that because of the removal of the FSS scheme preparation standards, Periodicals Mail destined for FSS ZIP Codes can no longer be entered in combined carrier-route and 5-Digit bundles and will be required to be entered in carrier-route and 5-Digit bundles separately. If not confirmed, please explain fully.

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<sup>3</sup> United States Postal Service, *Postal Bulletin* No. PB 22607, September 22, 2022, at 5, available at <https://about.usps.com/postal-bulletin/2022/pb22607/pb22607.pdf>.

<sup>4</sup> United States Postal Service, *Postal Bulletin* No. PB 22602, July 14, 2022, at 11-12, available at <https://about.usps.com/postal-bulletin/2022/pb22602/pb22602.pdf>.

- f. Please confirm that by being required to enter as separate bundles carrier-route and 5-Digit mail previously entered in a combined bundle, Periodicals mailers will be required to enter more bundles than when FSS scheme preparation standards were in effect. If not confirmed, please explain fully.
- 2. Please refer to Docket No. N2022-2, Library Reference USPS-LR-N2022-2/4, September 22, 2022 (the public response to interrogatory PR/USPS-T-2/1b). Please refer to the document entitled “Flat Industry Force-Field Analysis” at 2 entitled “Transitioning from FSS to Non FSS Bundles.”
  - a. Please confirm that among the “Negative Impacts” to the Flat industry listed is “Increase production cost because of more bundles.”
  - b. Please explain fully why “Transitioning from FSS to Non FSS Bundles” results in “[i]ncrease[d] production cost because of more bundles.”
  - c. Please confirm that among the “Negative Impacts” to the Flat industry listed is “Periodical postage increase.”
  - d. Please explain fully why “Transitioning from FSS to Non FSS Bundles” results in a “Periodical postage increase.”
  - e. Please provide all Postal Service forecasts, estimates, and analyses of the additional volume of Periodicals Outside County bundles resulting from “Transitioning from FSS to Non FSS Bundles.”
  - f. Please provide all Postal Service forecasts, estimates, and analyses of the additional Periodicals Outside County postage resulting from “Transitioning from FSS to Non FSS Bundles.”

3. Please refer to the Notice at 23-24, which discusses the Periodicals billing determinants adjustments that the Postal Service made in calculating the magnitude of the Periodicals rate increase and Library Reference USPS-LR-R2023-1/3, October 7, 2022.
  - a. Please confirm that the Postal Service did not make any adjustments to the Periodicals billing determinants used to calculate revenue at new prices in Library Reference USPS-LR-R2023-1/3 to reflect the transitioning from FSS to Non FSS bundles. If not confirmed, please explain fully.
  - b. Please provide a revised version of Library Reference USPS-LR-R2023-1/3 that incorporates adjustments to the Periodicals billing determinants used to calculate revenue at new prices to account for the *de facto* rate increase resulting from the transitioning from FSS to Non FSS bundles.

By the Chairman.

Michael Kubayanda